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Clairfield Industry M&A Snapshot H1 2025

Specialty chemicals

Inside: Specialty chemicals market overview · Recent M&A transactions · Industry trading multiples

November 2025



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Specialty Chemicals market overview

- 'A relatively long trough' to borrow a phrase from Dow's CEO Jim Fitterling.
- Companies continued to battle against weak demand and ongoing issues of geo-political uncertainty, high input costs, and pricing pressure.
- Huge overcapacity in China which has resulted in margin collapse.
- Growth is challenging, with a focus on cost cutting and restructuring – more defensive than offensive strategies.
- Compared to the wider chemicals sector, Specialty Chemicals was slightly protected due to higher margins and growth markets such as pharmaceuticals and semiconductors.
- The outlook is still uncertain. Hopes for an upturn in the short-term appear unlikely with businesses digging in for better trading conditions during 2026. The long trough looks to be here for a while yet.

2

Recent M&A transactions

- Deal volumes were muted being below both long-term averages and down on H2 2024.
- Companies are pursuing smaller and mid-size bolt-ons to expand geographic reach, targeting higher growth markets and lower input costs.
- Mega-deals are thin on the ground.
- Financial buyers increased to 26% of all Specialty Chemicals deals in H1 2025 as corporates continued to prune their portfolios through carve outs and divestments.
- Asia Pacific continued to lead regional deal making with a little under half (46%) of buyers based in the region.
- European plants and operations were relocated to cost-friendlier Asian locations.

3

Industry trading multiples

- The Clairfield Specialty Chemicals Index underperformed the S&P 500 in 2025 with the largest divergence between the two indexes in recent years.
- Selected trading peers in the Specialty Chemicals sector show an average H1 2025 EV/EBITDA multiple of 11.2x.

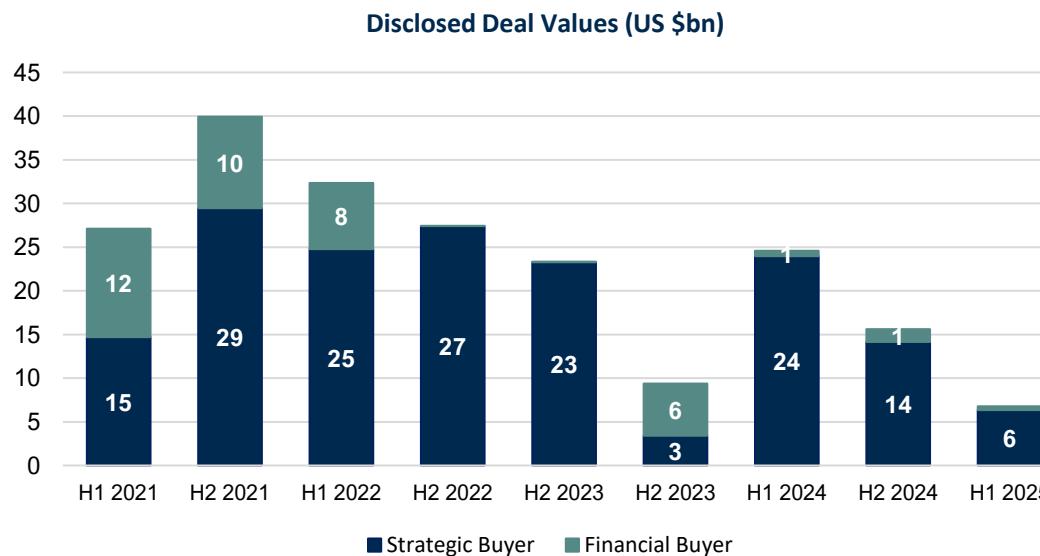
Specialty chemical M&A sector snapshot – H1 2025

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Overview of M&A activity in the first half of 2025

Introduction:

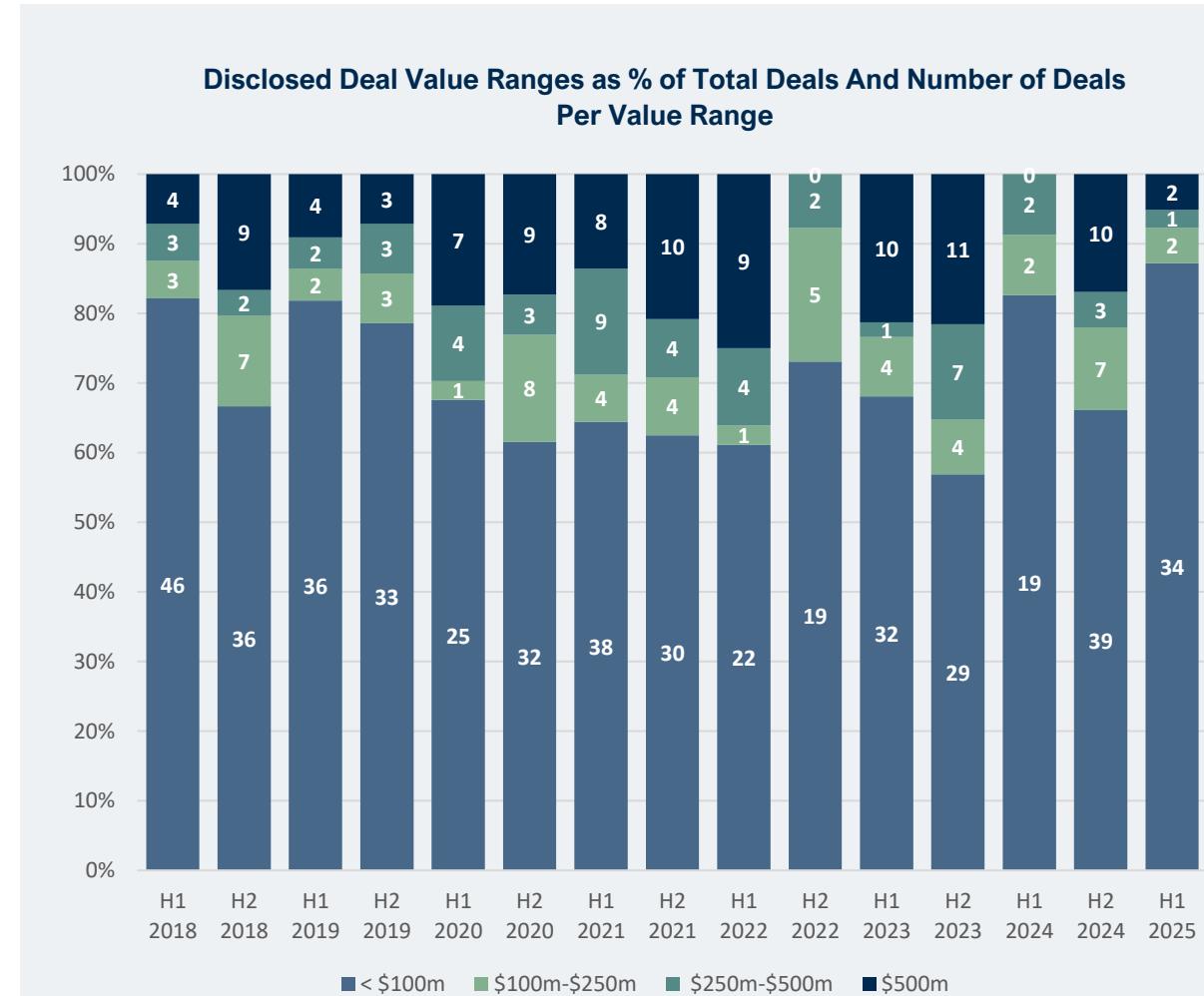
- Transaction activity within the Specialty Chemicals sector during the first half of 2025 reached a total of 78 deals, marking a 14% decrease compared to the second half of 2024, below the long-term average of 96 deals per half year.
- Financial Buyer activity accounted for over 26% of transactions in H1 2025, increasing from the 18% recorded in H2 2024.
- The total disclosed deal value in H1 2025 reached \$6.6bn, representing a 56% decrease from H2 2024. The number of deals valued above \$500m was slightly below the long-term average of 6, while 23% of disclosed deals were under \$100m, which is above the long-term trend.



Muted deal activity amid market adjustments

Overview of M&A activity in the first half of 2025

- The graph on the right illustrates the disclosed deal value ranges as a percentage of total deals across each half year period. It also shows the number of deals per value range.
- In the first half of 2025, the number of transactions in the sub \$100m segment declined by 15 deals compared to H2 2024, although this segment's share of total disclosed deals rose by 6%.
- At the same time, rising input costs, softer demand forecasts, and geopolitical uncertainty appear to have dampened appetite for larger transactions. Disclosed deals valued above \$500m fell by 33%, from six in H2 2024 to four in H1 2025, while activity in the \$100m-\$500m range also declined.
- However, this reduction in higher value transactions may signal increased selectivity and valuation discipline rather than a structural slowdown, suggesting a market recalibration rather than a retreat.
- Despite the slight decline in bigger deals, large strategic buyers remained active, as evidenced by Honeywell's \$2.2bn acquisition of Johnson Matthey's Catalyst Technologies business.
- Transformational deals in high-growth areas like energy transition and sustainability continue to receive backing, even in a more selective environment.



Specialty chemical M&A by region – H1 2025

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APAC leading the field

Geographic trends – strategic buyers

- As in H2 2024, the most active region for M&A in H1 2025 was Asia Pacific, with 41% of buyers and 41% of sellers located in the region. South Korea and China were the key drivers of activity from the buy side.
- Buyer activity in the United States and Canada was below historical norms. Typically, US and Canadian buyers account for around one-third of all transactions, but in H1 2025, they were down to just over a quarter.
- While not a big enough swing to be conclusive, the increase in European-based targets speaks to the trend in divestments in the under-pressure region. A growing number of global players are divesting of underperforming European assets while expanding in cost-advantaged regions such as Asia-Pacific.

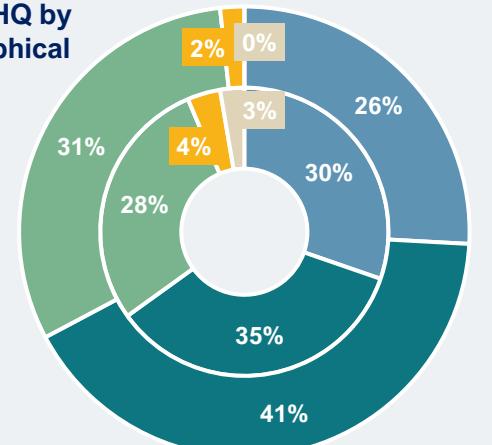
Number of H1 2025 targets HQ by geographical region

United States and Canada	15
Asia-Pacific	24
Europe	18
Africa / Middle East	1
Latin America and Caribbean	0

Number of H1 2025 buyers HQ by geographical region

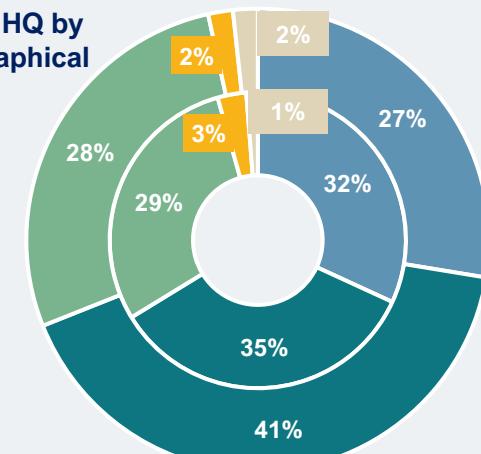
United States and Canada	16
Asia-Pacific	24
Europe	16
Africa / Middle East	1
Latin America and Caribbean	1

Target HQ by geographical region



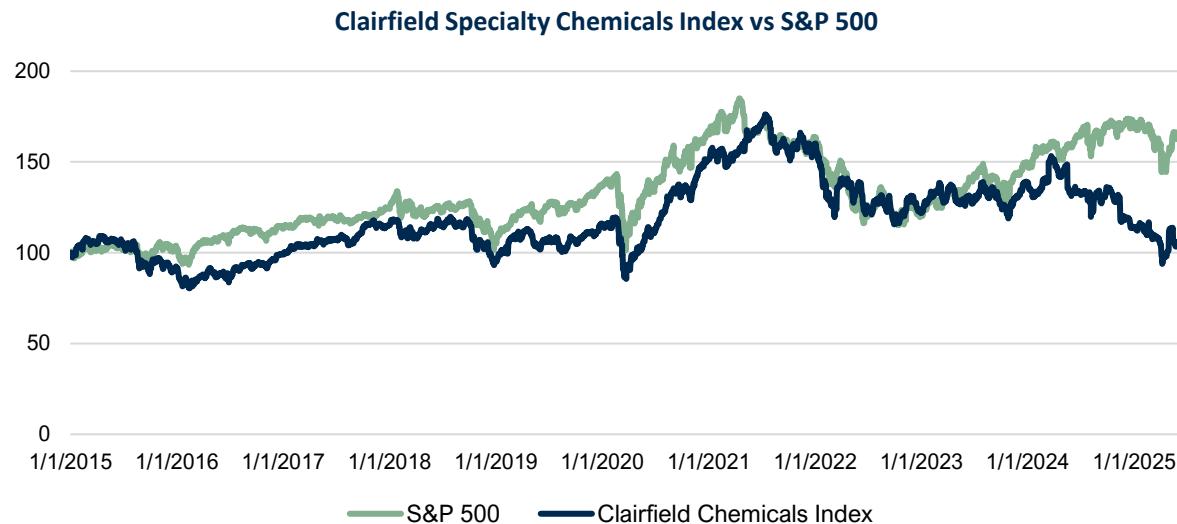
- United States and Canada
- Asia-Pacific
- Europe
- Africa / Middle East
- Latin America and Caribbean

Buyer HQ by geographical region



- United States and Canada
- Asia-Pacific
- Europe
- Africa / Middle East
- Latin America and Caribbean

Publicly owned businesses slightly below the general market



- The Clairfield Specialty Chemicals Index underperformed the S&P 500 in H1 2025, driven by sector-specific challenges. While the S&P 500 rebounded to new highs by mid-year, the Chemicals Index continued to decline, weighed down by elevated input costs, prolonged destocking, and subdued M&A activity. Unlike the broader market's strength driven by tech and consumer discretionary sectors.

The Clairfield Specialty Chemicals Index is made up of 70 listed businesses including:

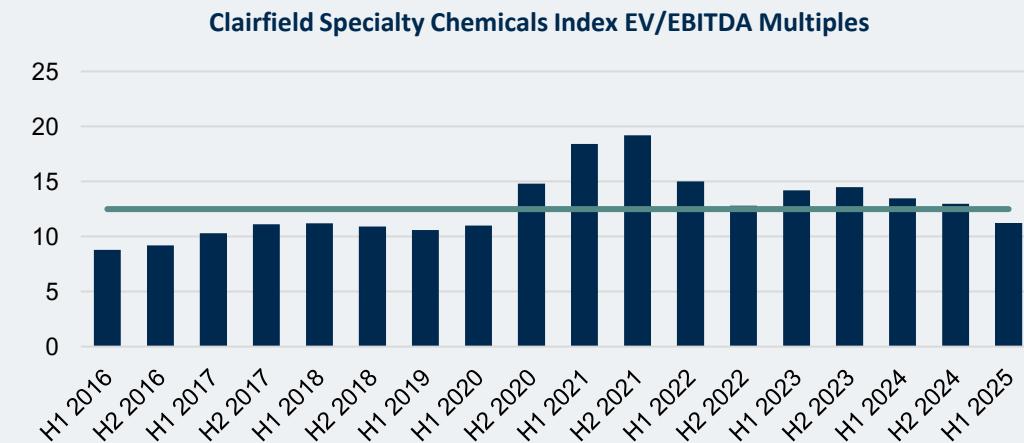


Source: S&P Capital IQ

Listed businesses valuation summary

- The Enterprise Value to EBITDA multiples below are the averages across our index of listed Specialty Chemicals businesses.
- Valuation multiples have fallen significantly from the peak levels seen during the 2021–2022 dealmaking boom, with the average multiple in H1 2025 (11.2x) now below the long-term trend but still 9% above the pre-pandemic average.

	Average 2015-2025	Pre-Pandemic Average	H1 2025 Average
Specialty chemicals	12.5	10.3	11.2



Operational discipline in an uncertain environment

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Margin stability maintained through pricing discipline and cost control, despite softer volumes and persistent market headwinds



"For the second quarter of 2025, we estimate net sales of about \$3.2 billion, operating EBITDA of about \$815 million and adjusted EPS of approximately \$1.05 per share," said Antonella Franzen, DuPont Chief Financial Officer. "Our second quarter guidance includes a seasonal sequential sales lift, although muted from prior expectations given timing shifts from the second quarter into the first quarter in Semiconductor Technologies."



"Our profitability increased in Q2, driven by pricing discipline and the structural benefits from our SG&A and industrial efficiency programs. This was achieved against a backdrop of significant currency headwinds, due to the strength of the euro and generally tepid markets, highlighting the strength of our businesses." Reported by CEO, Greg Poux-Guillaume.



"We had a good start to the year," says Chief Executive Officer Christian Kullmann. "However, the combination of a looming global trade war and armed conflicts makes planning for the future more uncertain than ever. There is a risk of a further economic slowdown, particularly in the second half of the year."



"Our performance in the first half was in line with our expectations at the start of the year. Higher sales in all businesses and regions reflect improved volumes in Beauty Care and Crop Protection, as well as another period of strong growth in F&F. Our actions are helping us navigate a challenging environment, simplifying and modernising our business, and supporting our efforts to enhance margins. We have identified a further £60m of cost savings, taking the total to £100m of annualised savings by the end of 2027." Reported by CEO, Steve Fooths.



"Sherwin-Williams continued to execute on our consistent and disciplined strategy in a demand environment that remained choppy as we anticipated" said Chair, President and Chief Executive Officer, Heidi G. Petz. "Consolidated sales were within our guided range, and we delivered gross margin expansion for the 12th consecutive quarter. Given the demand softness in the quarter, which we expect will continue if not deteriorate in the second half of the year, we aggressively accelerated and increased our restructuring actions, resulting in pre-tax expenses of \$59 million."

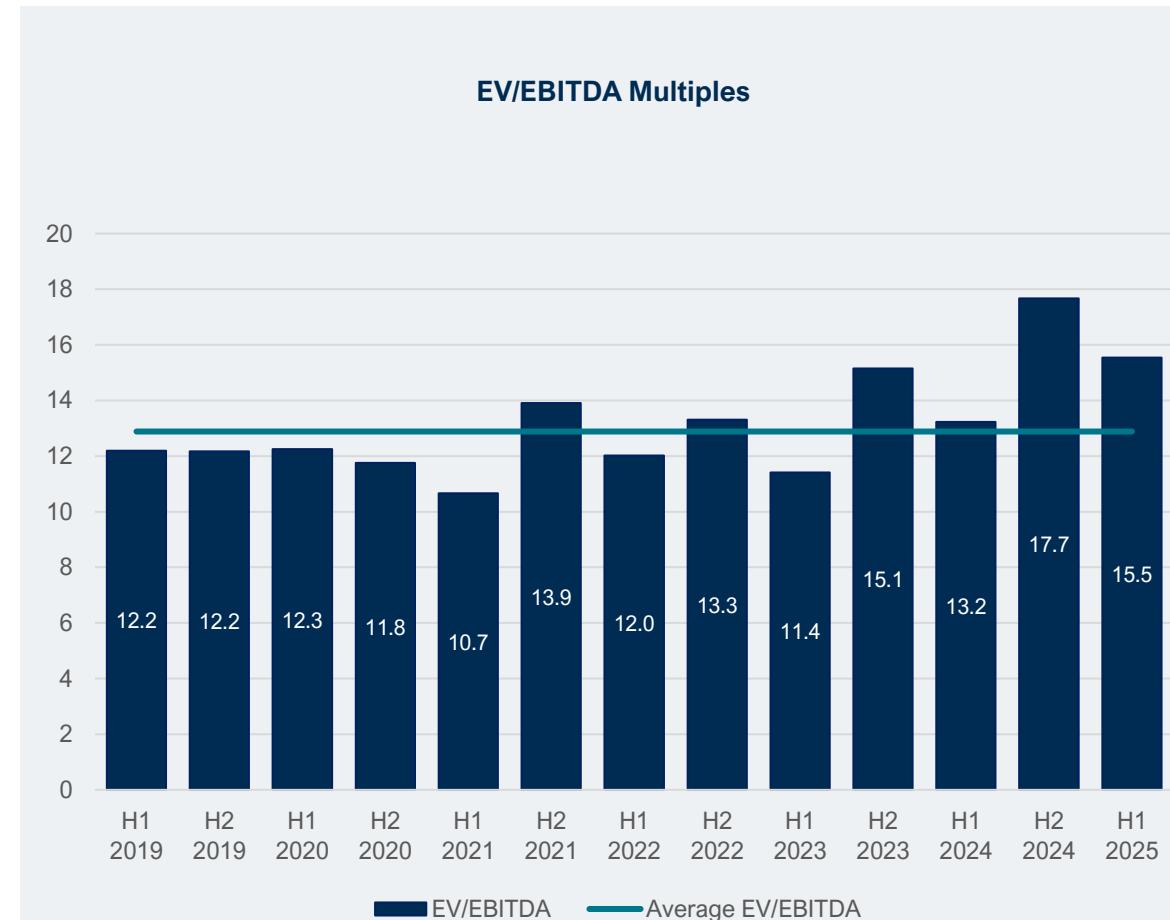


"We achieved a record first quarter Adjusted EBITDA, expanded Adjusted Diluted EPS by 16% and continued accelerating our performance in challenging global economic conditions" said Chris Villavarayan, CEO and President of Axalta. "Our One Axalta culture is driving sustained operating improvement and is positioning the company to achieve long term success in an uncertain environment. We remain focused on delivering on our A Plan, driving operating excellence and providing exceptional solutions and service for our customers."

Private company transactions above historical levels

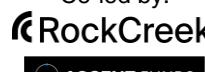
Valuation trends and drivers

- Private company transaction Enterprise Value to EBITDA multiples remained above historic averages during the first half of 2025, based on publicly disclosed deals.
- While only a limited number of transactions (14%) disclosed EV/EBITDA multiples, the available data provides a directional view of valuation discipline across select transactions.
- Asia Pacific continued to show slightly stronger valuation levels compared to North America and Europe where buyer caution was more evident. Drivers for M&A activity included:
 - Accelerating consolidation as companies seek scale to offset margin pressure from volatile raw material costs and energy pricing. While macroeconomic conditions are stabilising, input price unpredictability continues to challenge smaller operators, making them attractive acquisition targets for larger, better-capitalised players.
 - Increasing regulatory scrutiny around emissions, circularity, and chemical safety is prompting a wave of acquisitions aimed at gaining regulatory capabilities, sustainability certifications, or more advanced environmental tech platforms.
 - Private equity is regaining deal appetite, supported by more favourable financing terms and a narrowing valuation gap between buyers and sellers. Funds are active in fragmented sub-sectors where buy-and-build remains a viable strategy.
 - Private equity were also active in the carve-out space as corporates continued to trim their portfolios on non-core and underperforming assets.
 - Structural demand tailwinds driven by the energy transition, lightweighting, and advanced electronics are sharpening the focus on materials innovation. Segments such as battery binders, thermal interface materials, and specialty silicones for EVs and renewable infrastructure are seeing elevated interest.



Key transactions – H1 2025

Notable deals from the first half of 2025

Date	Target	Target country	Buyers/Investors	Deal Description	Total transaction value (\$m)	Implied enterprise Value/EBITDA (x)	Target sales (\$m)
Jun-25				JSW Paints, part of India's JSW Group, has agreed to acquire Akzo Nobel India. The acquisition strengthens JSW's position in the Indian paints and coatings market, while allowing Akzo Nobel to streamline its portfolio and focus on core global segments.	1,400	22	444.7
Jun-25	Sichuan Smith New Material Technology Co., Ltd		Shanghai Smith Adhesive New Material Co.,Ltd	Shanghai Smith Adhesive New Material will invest around RMB 1 billion in a new adhesive materials project. The investment expands the company's production capacity and supports its strategy to strengthen its position in speciality adhesives.	19	-	1.3
Jun-25			Jinbaek Global Co., Ltd.	Seoyoung E&T, a subsidiary of HiteJinro, has acquired 100 % of cosmetics OEM company B&B Korea. The move accelerates Seoyoung's expansion into beauty and cosmetics manufacturing, while enabling HiteJinro to diversify beyond its core beverage business.	18	-	52.1
May-25				Honeywell, a UK-based industrial technology company, has agreed to acquire Johnson Matthey's Catalyst Technologies business. The transaction bolsters Honeywell's capabilities in catalysts and process technology, while enabling Johnson Matthey to refocus on its core clean-air and platinum group metals operations.	2,160	13.3	873.6
May-25				HEXPOL acquired 80% of the shares in Kabkom for €54m. Kabkom was founded in 2011 and has grown to become the largest independent cable compounding company in Turkey.	62	-	-
May-25				H2 Equity Partners and management have acquired William Blythe from Synthomer plc via a carve-out / MBO. The deal gives William Blythe independence under new ownership, while enabling Synthomer to divest a non-core speciality inorganic chemicals business.	30	7.5	54.0
Apr-25			Co-led by:  	Forge Nano, a U.S. tech company, has secured US\$40 million in new funding to scale its battery and semiconductor equipment operations. The capital infusion boosts its manufacturing capacity in advanced coatings and supports its mission of domestic innovation in energy and microelectronics.	36	-	-

Key transactions – H1 2025

Notable deals from the first half of 2025

Date	Target	Target country	Buyers/Investors	Deal Description	Total transaction value (\$m)	Implied enterprise Value/EBITDA (x)	Target sales (\$m)
Apr-25	 ADVANCED BIOTECH			Asia Aroma Co., a Chinese fragrance and flavour company, acquired a 10% equity stake in Advanced Biotech. The investment broadened its footprint in biotechnology and strengthened its strategic diversification into life sciences.	27	-	-
Apr-25				UltraTech Cement, an Indian cement and building materials company, acquired 100 % of Wonder WallCare Private Limited. The acquisition gave UltraTech access to a new state-of-the-art wall putty manufacturing plant and expanded its white cement / value-added products footprint.	25	-	-
Apr-25				Kisco Ltd. agreed to acquire 40% stake in Plalloy Mtd B.V. from Dainichiseika Color & Chemicals Mfg. Co., Ltd. for approximately €1m.	1	-	-
Mar-25				Pritzker Private Capital announced the acquisition of Buckman, a global specialty chemicals company, in March, with the transaction completing in July. The deal enhances Pritzker's industrial portfolio and supports Buckman's growth through long-term capital and operational expertise.	-	-	-
Mar-25			Nanzhang Longmang Phosphorus Products Co	Nanzhang Longmang Phosphorus Products Co.,Ltd. completed the acquisition of 60% stake in Tianbao Animal Nutrition Technology Co., Ltd	55	-	-
Mar-25				Sika AG, a global leader in specialty construction chemicals, has acquired HPS North America, a provider of high-performance waterproofing and sealing solutions. The deal expands Sika's footprint in the North American construction market and strengthens its portfolio of sustainable building materials.	135	-	-
Feb-25				In February 2025, Pritzker Private Capital announced its investment in Americhem, a global producer of polymer and additive solutions. The partnership supports Americhem's growth, innovation, and international expansion.	-	-	-

Key transactions – H1 2025

Notable deals from the first half of 2025

Date	Target	Target country	Buyers/Investors	Deal Description	Total transaction value (\$m)	Implied enterprise Value/EBITDA (x)	Target sales (\$m)
Feb-25	Dwell		 LONG YOUNG ELECTRONICS	Long Young Electronic, a Chinese electronics components company, acquired a 70 % stake in Suzhou Dwell New Material Technology Co., Ltd. for CNY 770 million (originally pegged at CNY 1.1 billion). The deal enhanced Long Young's material tech portfolio and strengthened its vertical integration in advanced materials.	94	-	-
Feb-25	FEYMER Making Every Waterprint Count		Everrising Holdings Limited	Everrising Holdings Limited acquired a 29.98% stake in Jiangsu Feymer Technology, gaining a strategic minority position in advanced materials and technology.	79	27	206
Feb-25			 WYLOO	Wyloo formed a joint venture with Hastings for the Yangibana rare earths project, taking a 60% interest and becoming the largest shareholder in Neo Performance Materials.	48.2	4.8	456.1
Jan-25	 苏纳光电 Suna Optoelectronics		 CANLON	Jiangsu Canlon Building Materials acquired a 51% stake in Suzhou Jiazhicai Optoelectronics to enhance its tech capabilities and global reach, alongside reciprocal investments from Suzhou Silicon Optoelectronics and Chen Xianfeng.	48.3	-	312.6
Jan-25	 Clean Fino-Chem Limited		 Clean Science	Clean Science & Technology has invested INR 3 billion in its subsidiary Clean Fino-Chem through a rights issue to accelerate growth in downstream specialty chemicals. The investment strengthens Clean Fino-Chem's capacity expansion plans	33.4	-	-
Jan-25	 HEMPEL INDUSTRIAL		 CIN CIN - CORPORAÇÃO INDUSTRIAL DO NORTE, S.A.	Portugal-based coatings manufacturer CIN has acquired Hempel Industrial B.V., further consolidating its presence in the European industrial coatings market. The acquisition enhances CIN's product range and distribution network.	-	-	-
Jan-25	 TOMBURN		 COLOR PROFI	Tomburn UK has divested its Czech subsidiary, Tomburn CZ, to local investor COLORprofi in a strategic portfolio optimisation move. The transaction enables Tomburn to concentrate on its core UK powder coating operations.	1.5	-	-

Global reach, local expertise

A leading independent M&A advisor for midmarket deals

Founded in 2004, Clairfield International provides advisory services on midmarket transactions to a diverse clientele, including large companies, private investors, private equity, public sector entities, and family businesses.

We connect clients with regional and international strategic parties, investors, and decision-makers, while providing expert knowledge of local markets, regulations, and cultures.

Clairfield ranks as one of the top independent M&A advisors in worldwide league tables.

500+
TEAM MEMBERS

33
COUNTRIES

880
DEALS CLOSED IN
THE LAST 5 YEARS

EUR 37 billion
CUMULATIVE DEAL VALUE
IN THE LAST 5 YEARS



A compelling combination of M&A experience and chemicals expertise

Clairfield's chemical practice is a joint venture between global investment bank Clairfield and specialist chemicals advisory firm JF Chemical Associates.

The joint venture brings together a compelling combination of M&A deal origination and execution with deep chemicals market knowledge and expertise.

Industry contacts

Our team has approximately 10,000 industry contacts in chemicals and polymers.

Database

We manage a database of approximately 2,500 companies.

Strategic decision makers

We stay in touch with approximately 1,000 owner-managers, executives and investment professionals.

Niche experts

We have regular contact with approximately 800 known niche experts.

Global footprint

We are on five continents with local M&A teams in 32 countries.

1. Corporate Finance Advisory firms focus on transactional experience when promoting their sector expertise. While important, transactions are only a part of sector knowledge.

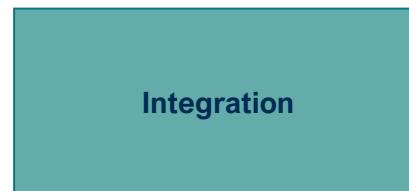
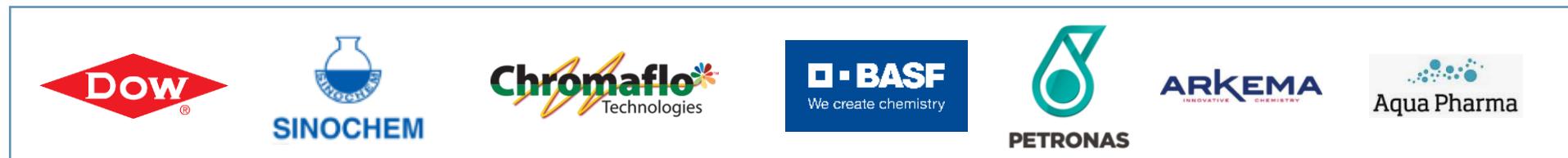
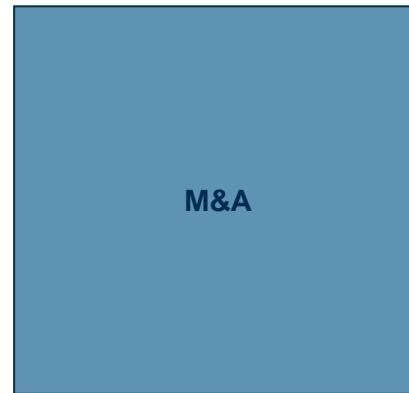
4. Expertise from within the chemical industry allows Clairfield to go *beyond transactional advice to value creation.*



2. Clairfield go beyond this. Our team members include operating partners from JF Chemicals Associates who have worked in the chemicals sector for years, with experience of leading multinational businesses and of completing transactions from within the business itself, not just as advisors.

3. JFCA's in-depth knowledge of technical, strategic, market and operational issues give Clairfield a clear advantage over other firms who simply advise from the "outside."

Transaction and advisory credentials



Chemicals global team: key dealmakers & advisors

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We look forward to speaking with you

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